

MINUTES

MONTANA SENATE 65th LEGISLATURE - REGULAR SESSION

COMMITTEE ON BUSINESS, LABOR, AND ECONOMIC AFFAIRS

Call to Order: Chair Edward Buttrey, on March 24, 2017 at 8:00 AM, in Room 422
Capitol

ROLL CALL

Members Present:

Sen. Edward Buttrey, Chair (R)
Sen. Dee Brown, Vice Chair (R)
Sen. Pat Connell (R)
Sen. Tom Facey (D)
Sen. Steve Fitzpatrick (R)
Sen. Daniel R. Salomon (R)
Sen. Jason D. Small (R)
Sen. Frank Smith (D)
Sen. Gordon Vance (R)
Sen. Gene Vuckovich (D)

Members Excused: None

Members Absent: None

Staff Present: Linda Keim, Committee Secretary
Jameson Walker, Legislative Branch

Audio Committees: These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

Committee Business Summary:

Hearing & Date Posted: SB 369, 3/23/2017; SB 371, 3/23/2017

Executive Action: Do Pass: SJ 20
Do Pass As Amended: SB 335, SB 345, SB 346
Tabled: HB 531, SB 371, SB 369

00:00:00 Chair Buttrey

HEARING ON SB 371

Opening Statement by Sponsor:

00:01:11 Sen. Frederick (Eric) Moore (R), SD 19, opened the hearing on SB 371. Revise workers' compensation insurance and dissolve the state fund.

Proponents' Testimony:

00:10:24 Jason Rittal, Victory Insurance Company (VIC)

[EXHIBIT\(bus61a01\)](#)

00:20:20 Scott Richner, former state legislator; Victory Insurance Company

00:26:30 Chuck Emma, actuary, managing principal, EVP Advisors Incorporated (EVPA)

[EXHIBIT\(bus61a02\)](#)

[EXHIBIT\(bus61a03\)](#)

00:35:42 Brad St. Pierre, actuarial consultant, EVP Advisors Incorporated (EVPA)

00:42:10 Jacqueline Lenmark, Victory Insurance Company (VIC)

00:55:27 Jon Metropoulos, Victory Insurance Company

01:00:00 Michael Marsh, self, business owner, Billings; Midland Claims; WorkSafe Montana

[EXHIBIT\(bus61a04\)](#)

Opponents' Testimony:

01:04:45 Kevin Braun, Montana State Fund (MSF)

[EXHIBIT\(bus61a05\)](#)

[EXHIBIT\(bus61a06\)](#)

01:20:08 Spook Stang, Motor Carriers of Montana

01:27:47 Bryan Lorengo, safety management consultant, Montana Logging Association

01:28:56 Abigail St. Lawrence, Montana Building Industry Association

01:30:43 Roger McGlenn, Independent Insurance Agents' Association of Montana (IIAM)

01:37:47 Riley Johnson, National Federation of Independent Business

01:40:24 Rep. Adam Hertz, HD 96, self, State Fund policyholder

Sen. Fitzpatrick entered the hearing.

Note: Rep. Hertz asked to leave to attend another hearing and questions were allowed from committee members. Further opponent testimony continues below.

Questions from Committee Members:

01:43:13 Sen. Brown

01:43:27 Rep. Hertz

01:44:07 Sen. Facey

01:44:24 Rep. Hertz

Opponents' Testimony:

01:44:37 Webb Brown, Montana Chamber of Commerce
 01:47:13 Steve Wade, Montana Contractors Association
 01:48:10 Quinton Nyman, executive director, Montana Public Employees Association;
 also speaking for Chris Cavazos, American Federation of Labor-Congress of
 Industrial Organizations
 01:49:59 Don Judge, Montana Trial Lawyers Association

Informational Testimony:

01:53:13 Jessica Epley, State Relations executive, National Council on Compensation
 Insurance (NCCI)

EXHIBIT(bus61a07)

01:54:02 Eric Strauss, administrator, Employee Relations, Department of Labor and
 Industry (DLI)
 01:54:14 Nancy Butler, deputy state auditor, Office of the Montana State Auditor,
 Commissioner of Securities and Insurance

Questions from Committee Members and Responses:

01:54:37 Sen. Facey
 01:57:54 Ms. Epley, NCCI
 01:58:59 Sen. Salomon
 01:59:12 Sen. Moore redirect
 01:59:51 Mr. St. Pierre, EVPA
 02:00:21 Sen. Salomon
 02:00:34 Mr. St. Pierre
 02:01:13 Sen. Facey
 02:02:36 Ms. Epley
 02:02:43 Sen. Facey
 02:03:42 Ms. Lenmark
 02:05:12 Sen. Facey
 02:05:44 Mr. McGlenn, IIAM
 02:06:41 Sen. Facey
 02:09:23 Sen. Moore
 02:09:38 Sen. Brown
 02:10:59 Ms. Epley
 02:11:17 Sen. Brown
 02:12:22 Mr. Marsh, self
 02:12:45 Sen. Facey
 02:13:44 Mr. Rittal, VIC
 02:14:17 Sen. Vance
 02:15:12 Mr. St. Pierre
 02:16:37 Chair Buttrey
 02:16:43 Mr. Braun, MSF
 02:17:32 Chair Buttrey
 02:19:04 Ms. Epley
 02:19:10 Chair Buttrey

02:22:31 Mr. Braun
 02:23:32 Chair Buttrey
 02:23:52 Mr. St. Pierre
 02:24:53 Sen. Salomon
 02:25:27 Sen. Moore redirect
 02:26:29 Mr. Rittal
 02:27:31 Sen. Salomon
 02:28:05 Chair Buttrey
 02:28:22 Sen. Connell
 02:29:54 Mr. Braun
 02:30:22 Sen. Connell
 02:32:39 Mr. St. Pierre
 02:33:03 Sen. Brown
 02:34:21 Mr. Emma, EVPA
 02:34:44 Chair Buttrey
 02:35:48 Sen. Moore
 02:36:19 Chair Buttrey
 02:37:05 Mr. Braun redirect
 02:37:17 Chair Buttrey
 02:39:12 Ms. Lenmark, VIC
 02:40:08 Sen. Facey
 02:40:36 Mr. Strauss, DLI

Closing by Sponsor:

02:41:22 Sen. Moore
 02:44:21 Chair Buttrey
 02:44:41 Recess
 02:55:26 Reconvened

HEARING ON SB 369

Opening Statement by Sponsor:

02:55:34 Sen. Jeffrey Welborn (R), SD 36, opened the hearing on SB 369. Create a study commission on the state fund.

Proponents' Testimony:

02:58:43 Kevin Braun, Montana State Fund (MSF)
 02:59:12 Abigail St. Lawrence, Montana Building Industry Association
 03:00:06 Webb Brown, Montana Chamber of Commerce
 03:00:40 Riley Johnson, National Federation of Independent Business
 03:00:52 Roger McGlenn, Independent Insurance Agents Association of Montana (IIAA)
 03:01:14 J. D. Lynch, Montana State Building Trades; Teamsters Local Union #2;
 International Brotherhood of Electrical Workers #44

Opponents' Testimony:

03:02:08 Spook Stang, Motor Carriers of Montana
03:03:07 Jon Metropoulos, Victory Insurance Company (VIC)

Informational Testimony:

03:04:26 Quint Nyman, Montana Public Employees Association; American Federation of
Labor-Congress of Industrial Organizations
03:04:53 Eric Strauss, administrator, Employee Relations Division, Department of Labor
and Industry (DLI)

Questions from Committee Members and Responses:

03:05:12 Sen. Facey
03:05:16 Sen. Welborn
03:06:11 Chair Buttrey
03:08:27 Sen. Facey
03:09:01 Sen. Welborn
03:09:56 Chair Buttrey
03:10:03 Sen. Connell
03:10:29 Chair Buttrey
03:10:47 Sen. Connell
03:12:14 Sen. Welborn
03:12:24 Sen. Brown
03:12:49 Sen. Welborn
03:13:23 Sen. Vuckovich
03:13:29 Chair Buttrey
03:13:33 Sen. Smith
03:14:32 Sen. Welborn
03:14:52 Chair Buttrey
03:16:59 Jacqueline Lenmark, Victory Insurance Company (VIC)
03:17:52 Chair Buttrey
03:20:12 Mr. Braun, MSF
03:20:51 Chair Buttrey
03:20:54 Mr. McGlenn, IIAA
03:21:57 Sen. Facey
03:22:33 Mr. Metropoulos, VIC

Closing by Sponsor:

03:23:49 Sen. Welborn
03:24:26 Chair Buttrey
03:25:30 Recess
03:40:35 Reconvened

Sen. Salomon did not return to the hearing.

EXECUTIVE ACTION ON HB 531

03:40:53 **Motion:** Sen. D. Brown moved that **HB 531 BE CONCURRED IN.**

03:41:13 **Motion:** Sen. D. Brown moved that **HB 531 BE AMENDED.**
EXHIBIT(bus61a08)

Discussion:

03:41:50 Chair Buttrey
03:42:47 Jameson Walker, Legislative Services Division (LSD)
03:43:40 Sen. Brown
03:44:14 Sen. Vance
03:44:29 Mr. Walker, LSD
03:44:53 Chair Buttrey
03:45:06 Sen. Facey
03:45:20 Mr. Walker

03:45:32 **Vote:** Motion failed unanimously by voice vote. Sen. Salomon voted by proxy.

03:46:16 **Motion/Vote:** Sen. Connell moved that **HB 531 BE TABLED.** Motion carried 6-3 by voice vote with Sen. Facey, Sen. Fitzpatrick and Sen. F. Smith voting no.

EXECUTIVE ACTION ON SB 335

03:46:47 **Motion:** Sen. D. Brown moved that **SB 335 DO PASS.**

03:47:10 **Motion/Vote:** Sen. Small moved that **SB 335 BE AMENDED.** Motion carried unanimously by voice vote. Sen. Salomon voted by proxy.
EXHIBIT(bus61a09)

03:47:52 **Motion:** Sen. D. Brown moved that **SB 335 BE AMENDED.**
EXHIBIT(bus61a10)

Sen. Salomon entered the hearing.

Discussion:

03:48:34 Jameson Walker, Legislative Services Division (LSD)

03:49:03 **Vote:** Motion carried 9-1 by voice vote with Sen. Buttrey voting no.

03:49:20 **Motion:** Sen. D. Brown moved that **SB 335 DO PASS AS AMENDED.**

Discussion:

03:49:33 Sen. Facey

03:49:59 **Vote:** Motion carried 6-4 by voice vote with Sen. Brown, Sen. Facey, Sen. Small and Sen. Vance voting no.

EXECUTIVE ACTION ON SB 345

03:50:25 **Motion:** Sen. D. Brown moved that **SB 345 DO PASS.**

03:50:40 **Motion:** Sen. D. Brown moved that **SB 345 BE AMENDED.**
EXHIBIT(bus61a11)

Discussion:

03:51:05 Jameson Walker, Legislative Services Division, LSD

03:52:04 **Vote:** Motion carried unanimously by voice vote.

03:52:14 **Motion:** Sen. D. Brown moved that **SB 345 DO PASS AS AMENDED.**

Discussion:

03:52:21 Sen. Facey
03:53:11 Chair Buttrey

03:53:27 **Vote:** Motion carried 9-1 by voice vote with Sen. Facey voting no.

EXECUTIVE ACTION ON SB 346

03:53:49 **Motion:** Sen. D. Brown moved that **SB 346 DO PASS.**

03:53:55 **Motion:** Chair Buttrey moved **TO AMEND SB 346 CONCEPTUALLY AND STRIKE SECTION 1 IN ITS ENTIRETY.**

Discussion:

03:54:39 Sen. Facey
03:55:10 Sen. Connell
03:55:58 Jamison Walker, Legislative Services Division (LSD)

03:56:48 **Vote:** Motion carried unanimously by voice vote.

03:56:59 **Motion:** Sen. D. Brown moved that **SB 346 DO PASS AS AMENDED.**

Discussion:

03:57:12 Sen. Fitzpatrick
03:58:18 Sen. Facey

03:58:45 **Vote:** Motion carried 6-4 by roll call vote with Sen. Brown, Sen. Connell, Sen. Fitzpatrick and Sen. Vance voting no.

EXECUTIVE ACTION ON SJ 20

03:59:47 **Motion:** Sen. D. Brown moved that **SJ 20 DO PASS**.

Discussion:

04:00:08 Sen. Small

04:00:33 **Vote:** Motion carried unanimously by voice vote.

EXECUTIVE ACTION ON SB 371

04:00:44 Sen. Facey

04:01:28 Chair Buttrey

04:01:53 **Motion/Vote:** Sen. Facey moved that **SB 371 BE TABLED**. Motion carried 8-2 by voice vote with Sen. Brown and Sen. F. Smith voting no.

EXECUTIVE ACTION ON SB 369

04:02:10 Sen Vance

04:02:25 Chair Buttrey

04:03:22 **Motion:** Sen. Vance moved that **SB 369 BE TABLED** and to create a committee study bill.

Discussion:

04:03:30 Sen. Brown

04:03:46 Sen. Vance

04:03:50 Sen. Facey

04:04:19 Sen. Vance

04:04:58 Jameson Walker, Legislative Services Division (LSD)

04:05:01 Sen. Facey

04:05:13 Sen. Connell

04:05:38 **Vote:** Motion carried 7-3 by voice vote with Sen. Facey, Sen. F. Smith and Sen. Vuckovich voting no.

EXECUTIVE ACTION ON COMMITTEE STUDY BILL

04:05:58 **Motion/Vote:** Sen. Vance moved **TO CREATE A COMMITTEE STUDY BILL REGARDING THE STATE FUND**. Motion carried unanimously by voice vote.

Committee Business:

04:06:40 Sen. Vance

04:06:44 Chair Buttrey

04:06:59 Sen. Facey

04:07:19 Chair Buttrey

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04:07:34	Sen. Vance
04:07:37	Chair Buttrey
04:08:01	Sen. Brown
04:08:07	Chair Buttrey

ADJOURNMENT

Adjournment: 12:15 PM

Linda Keim, Secretary

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Additional Documents:

EXHIBIT([bus61aad.pdf](#))